

Restructuring UPDATE

Special Bulletin

April 4, 1996

Restructuring to bring relocation — for some

As you might expect, changes in **how** the Department does business will bring changes in **where** NJDOT employees conduct business.

The teams charged with delivering the Department's largest ever capital program are being regrouped to provide a more productive working environment. At the same time, others will be impacted by the consolidation of regional operations.

These facility changes are expected to begin in mid-April and be completed by August. Employees in Newark, Roxbury, Par-Troy and Clinton are among those who can expect changes in their physical work environments.

New project managers will need to

work closely with their restructured engineering, environmental and other support units. Field staff will need to get the most out of the time and resources available, including regional equipment and supplies.

By doing this, we hope to maximize our resources and expedite our delivery. But, unfortunately, this will mean that some staff will be relocating from their familiar NJDOT "home." We recognize that this may be difficult and hope that understanding our long-range goals will help ease the transition. The Department will be much stronger in the end.

Look for more specific announcements about facilities changes in future bulletins.

Governor
Christine Todd Whitman

Commissioner
Frank J. Wilson

A publication of The
New Jersey Department
of Transportation

Inside

Who is OBK? Page 2

Union Update Page 2

Project Pipelines Page 3

Project Management
Page 4



NJDOT North to operate from Roxbury

More than 160 NJDOTers will work out of the new North Region headquarters in Morris County. Renovations to the approximately 41,000 square foot facility will be completed in late summer. NJDOT North Region Headquarters is located at 200 Stierli Court near I-80 in Roxbury Township.* The North Region headquarters will house employees in the offices of the Executive Director, the Region's Maintenance Administrative Offices, the Administrative Offices and Operations Center of Traffic Operations and Capital Program Management. The latter will include Design/Field Survey, Right of Way & Local Aid Operations and Construction and Materials staffs. (Photo by Ray Harris)

* the postal address is Mount Arlington

Who is O[B]K anyway?

You've probably seen the staff rushing around the Ewing complex, or visiting the regional offices to see NJDOT's construction folks in action. Many of you may have been in meetings with people referred to as "OK" or "OBK."

So, who is OK/OBK anyway?

O'Brien-Kreitzberg (OK) is the consultant firm brought in by Commissioner Wilson last year to take an objective look at how NJDOT delivers its projects.

"Our charge was to focus on the organizational structure, the processes and systems used by the Department to plan, design, and manage construction of capital projects — not identify staff for layoffs," said Howard Sackel, OK vice president and on-site project director. "We were brought here to see if we could help NJDOT improve the way it does its job."

Following eight months of study which included taking an inventory of all of the projects in the pipeline and reporting their status, the OK team recommended a project management approach to project delivery. This has been successfully used in other DOTs and public agencies.

Implementation of OK's recommendations began in August 1995 with the establishment of the Accelerated Project Management Office (APMO). The APMO is being converted into a permanent Project Management unit. This group has already begun to work with the NJDOT staff, mentoring and training them in management techniques and the use of new management systems. OK also helped guide NJDOT staff in successfully completing the first Design-Build project, the Route 130 Hightstown Bypass which was advertised before Christmas.

It is important to understand that OK staff are not directly managing NJDOT employees or projects. They work along with NJDOT staff in a team approach. OK is also helping Assistant Commissioner Russ Tong with the restructuring of the Capital Program Management unit. This restructuring is based on the premise that NJDOT staff will become more productive with new processes and tools. This, in turn, will enable delivery of more projects, with the same staff, in a more timely fashion, at less cost per project. In the near future a new, integrated project management control system will be installed.

The new system will permit project managers, bureau chiefs and Capital Program Management staff to obtain real time information on a project's schedule and cost. This will also enable the Department to better monitor its progress and keep projects on track.

In addition to assisting NJDOT with its capital program, OK is providing project, program and construction management and oversight services to other public agencies including New Jersey Transit, the NJ Turnpike Authority and the New York Metropolitan Transit Authority.

OK has over 750 employees and is the nation's largest **pure** construction management/program management firm according to *Engineering News Record*. Assisting OK on the consultant team are Cambridge Systematics, LKG-CMC and Bruce Nestande, former Chairman of the California Transportation Commission.

"Our objective," says Sackel, "is to work ourselves out of a job within a year, and leave NJDOT with the systems and procedures it will need to manage its capital program effectively into the 21st century."

Union Update

Representatives of the Communications Workers of American Local 1032 discussed the restructuring of the Department with NJDOT officials on March 21. Members of International Federation of Professional and Technical Engineers Local 195 were also invited but were unable to attend. The Department will re-schedule a meeting with them in the near future.

Assistant Commissioners Russell Tong and Al Ari presented the rationale for the changes in the Capital Program Management and Maintenance Operations units. Union representatives raised questions on topics that included unit scopes, examination eligibility and existing promotional lists. The managers present responded by providing details of the early elements of the restructuring and a promise of ongoing dialogue as more specifics become available.

The NJDOT management plans to continue meeting with union representatives during the restructuring as well as keeping employees abreast of the latest developments through regular newsletters and other outlets.

About the newsletters

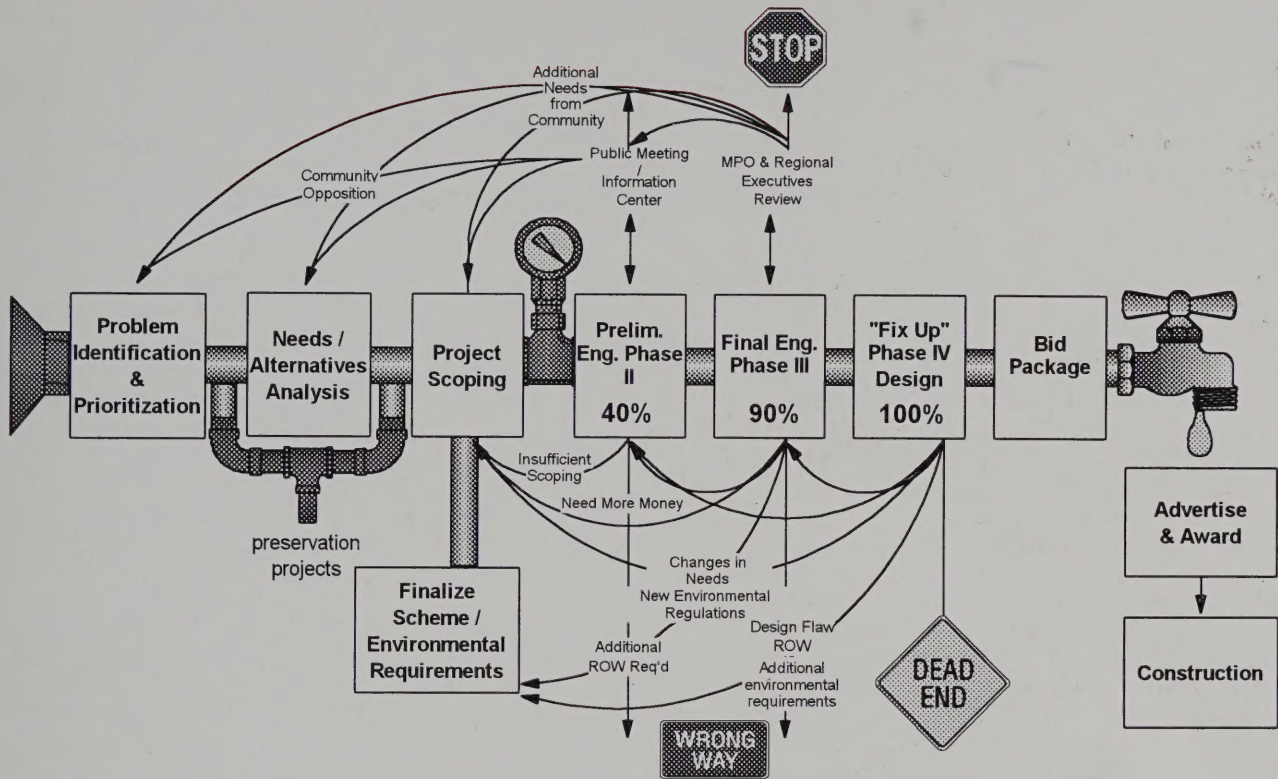
Look for regular updates twice a month. They will come with your paycheck. This is the second issue of the Special Bulletin called *Restructuring Update*. It is one of the updates that will be published through July and distributed to all NJDOT employees with paychecks. Restructuring news will also be carried in a special section of the *Transporter*.

How to contribute

If you would like to contribute a question or a suggestion, please contact Edyth Hetman in the **Communications Office**, CN 600, Trenton, NJ 08625-0600, at 609-530-5427; FAX 609-530-5469.

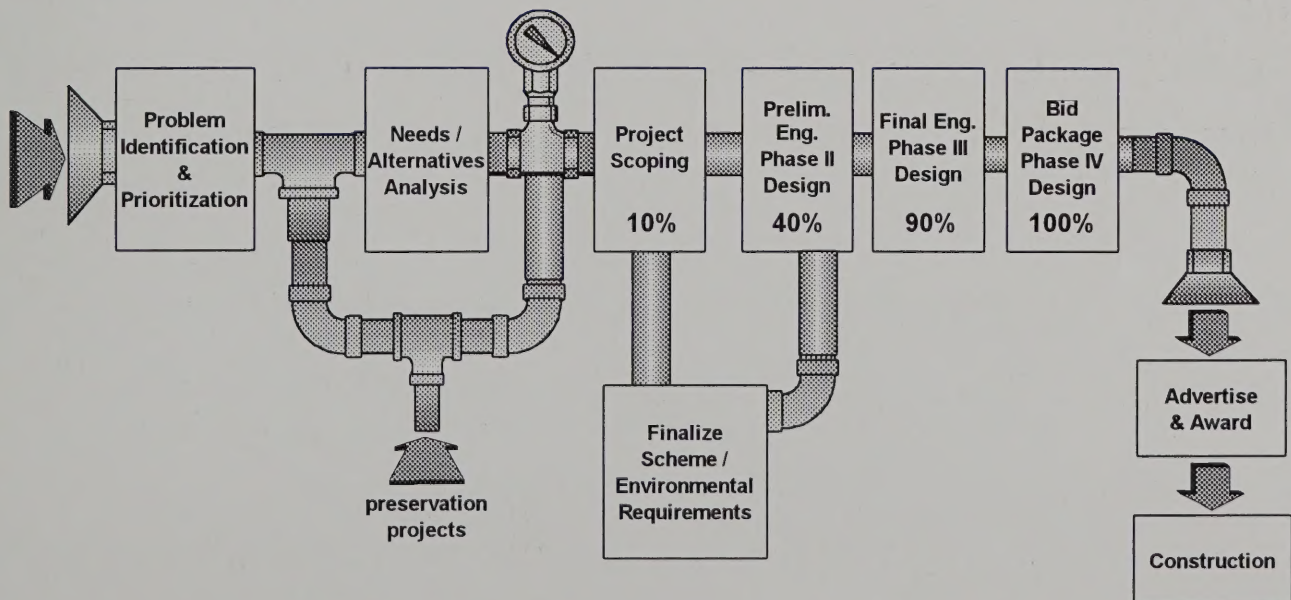
Our Current Project Delivery System

(Based on information supplied by NJDOT staff to OBK during audit interviews)



The NJDOT Project Delivery Pipeline

(After the restructuring)



Spotlight on the new Division of Project Management

As we begin the process of restructuring the organization, it is important for everyone in the Department to understand how implementing a project management system will better enable the Department to deliver projects quicker and more efficiently.

Our restructuring initiative is founded on the Commissioner's goal of investing more of the state's resources into actually building projects and less into the cost of delivering projects. The basic principle of the Department's project management system is to place overall accountability for a project into one person, the **project manager**, and to assign a project manager throughout the entire life of the project — from cradle to grave.

The Accelerated Project Management Office has been testing this approach, and now the concept will be expanded over the next several months to include all capital projects in a permanent **Division of Project Management**. Additional permanent staff assignments in the Division will coincide with the transfer of projects.

The concept of project management is not new. It has been used successfully at other transportation agencies and throughout many private sector companies. A key element of success is providing the necessary tools to manage. Delivering projects on time and within budget while maintaining the highest quality requires new tools such as user-friendly scheduling and control systems. A computerized project scheduling system is presently being used to monitor and control the accelerated projects. The cost control system is about to be brought on line.

Three distinct units are called for in the ultimate plan for the Division of Project Management. The **Project Scope Development** unit will be responsible for developing a comprehensive scope of work for each capital project including any necessary preliminary engineering activities. It will be staffed by engineering and environmental staff, and will be charged with insuring that input from all stakeholders — both internal and external — is incorporated into the final project scope.

A **Contract Administration Services** unit will be responsible for providing procurement services, professional and construction contractors, to the Project Management staff.

Finally, there will be approximately six **Program Management** sections in the Project Management unit. Each program manager will be responsible for a particular element of the capital program, and will have a staff of project managers and environmental and technical support teams.

During the transitional phases, the bureaus of Preliminary Engineering, Environmental Analysis and Plans and Specifications are being assigned to the Division.

Under the project management system, the project manager will be assigned as the person responsible for the project and will serve as the single point of contact on the project from the point at which an actual project is defined.

The project manager will lead the scope development efforts, coordinate all procurement activities and manage resources both within and external to the Department to deliver and complete each project on schedule and within budget. During construction the project manager will continue to manage project budgets and schedules.

The project managers will work with the construction staff and will direct the activities of the resident engineer. The resident engineer will continue to manage the contractors in the field under the guidance of the project manager and the direct supervision of the construction field managers.

Simply put, the purpose behind establishing a Division of Project Management is to change our focus from the process we follow to the projects we can deliver. Opportunities abound. There is a need for a well-rounded project management staff. We look for individuals from all parts of the department to seek these opportunities.

The Project Management staff to date includes:

Timothy McGough, Acting Director

Barbara Fischer

Kathleen Emmett

Lisa Adams

**Richard Dunne,
Program Manager**

Lynn Naranjo

John McCleerey

Lynn Middleton

Lynn Rich

Scott Thorn

Amy Fox

Nick Dogias

**David Sichik,
Program Manager**

Caroline Carmody

Dave Kuhn

Steve Lavelle

Wilbur Dixon

Mike DiPento

Polina Knaster

**Mark Rollo,
Program Manager**

Michele Tocco

Henry Cole

Christopher Manz

Walter McGrosky

Kiran Patel

Carmen Iantorno

Frank Inverso

**Richard Gramlich,
Program Manager**

Debra Roberts

William Birch

Omar Hameed

Nagnath Kasbekar

Bruce Riegel

Edward Pennell

Karen Minch

—by Tim McGough, Acting Director

New Jersey
Department of Transportation
1035 Parkway Avenue
CN 600
Trenton, NJ 08625-0600

Bulk Rate
U.S. Postage
PAID
Trenton, NJ
Permit No. 21